

31 August 1949

MEMORANDUM FOR THE DIRECTOR

SUBJECT: State's Four Problems

1. Confirming the conversations at the Standing Committee Meeting of August 30th, there is enclosed the first draft of the agreed positions on the recommendations in Mr. Armstrong's first problem, Coordination. This may well not be the final draft of recommendations from the Standing Committee to the IAC as we are going to have meetings on the other three problems and probably positions taken on the first problem will be somewhat changed.

2. The whole crux of the matter is that State thinks CIA's *major* research should be discontinued. There now are two big research organizations, OIR in State, and ORE in CIA. State feels it was first in the field so should remain, and thinks that CIA should be a small organization with a very small research staff to support its small "Estimates Division." Until this situation is clarified by the National Security Council, there will always be friction and duplication.

3. When consideration can be given to pages 7, 8, and 9 of the "Analysis of ORE Production," compiled on 19 July 1949 by the Ad Hoc Production Review Committee in ORE, it may be possible to establish some sort of division or segregation of responsibilities to relieve, to a limited extent at any rate, the present unfortunate duplication of effort that causes so much jealousy and unfriendly feeling between agencies, which, after all, should have the same objectives in producing responsible intelligence for the same Government. Let us hope that we can eventually arrive at some sort of amicable modus vivendi.

4. State also feels that it, and it alone, is the authority on political intelligence, so that if requests come to us on this very broad and general subject, we should advise the requestor (no matter who he is!) that he has sent his request to the wrong address. I should think that one man could correct this impression if he wished to do so, but the research situation of OIR versus ORE will take longer and more detailed study.

PRESCOTT CHILDS
Chief, ICAPS

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